

Congress of the United States
House of Representatives
Washington, DC 20515-1407

Financial Services Committee
Hearing "Using FHA for Housing Stabilization and Homeownership Retention"
Opening Statement for Congressman André Carson
April 10, 2008

Thank you, Chairman Frank and Ranking Member Bachus for holding this important hearing on proposals to address the crisis in the United States housing market. As a new member on the Financial Services Committee, I am eager to get working to repair the mortgage market and mitigate further foreclosure incidence.

This particular hearing is of great significance to me as a Representative from Indiana's Seventh Congressional District. My district has suffered with disproportionately high rates of foreclosures and loan delinquencies during this past year. In fact, Indiana has consistently rated among the top 10 states nationally for foreclosures along with Michigan and Ohio. Job loss within the manufacturing sector has spiked unemployment rates within these states. While families cope with this job loss, many of them must also face growing mortgage payments as their subprime loan rates reset creating a very unstable housing environment.

Chairman Frank's proposal is proactive in helping consumers on the verge of foreclosure refinance these risky loans before the foreclosure phase which helps to preserve individual wealth and maintain stability in our communities. The district I represent, which includes most of Marion County and the City of Indianapolis, currently has around 17,000 foreclosed properties and around 7,200 in the preforeclosure phase.

I am further worried about the concentration of these risky loans within the minority community. Of the African American mortgage consumers, over 50 percent received subprime loans along with around 40 percent of Latino consumers. As we work to help those who have already been consumers of these risky mortgage products, we should investigate the how to enhance homeownership among minorities while ensuring individuals in these groups are not unfairly targeted for predatory or risky loans.

The third title in this bill addresses an issue that is becoming more relevant in my district. There are 7,000 vacant homes in Indianapolis. In the Mapleton Fall Creek Neighborhood around the corner from my house, there are over 60 vacant and boarded homes in a 14 block area. We frequently hear how housing vacancies have a negative impact on property values, but as someone who has spent their career in law enforcement, I know that vacancies can also foster violence and theft in our neighborhoods.

According to the 2007 Indianapolis Police Department Annual Crime Report, crime in my city has been on a steady increase since 2002. This is not surprising when you consider the dramatic job cuts in Indiana began in 2001, contributing heavily to Indiana's housing market downfall and creating these thousands of vacancies.

I will be working with the community leaders in Indianapolis to tackle the many obstacles facing neighborhoods with numerous vacancies such as the Mapleton Fall Creek Neighborhood in my district and I am thrilled this important issue is a key feature of the legislation we are discussing today.

I would like to thank Chairman Frank and my colleagues on the Committee for the leadership they have shown on this issue and I look forward to taking part in this effort as a member on this Committee.